

Economic Espionage



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CI vs FI

Espionage vs Economic Espionage



Trade Secret Definition

- (3) The term 'trade secret' means all forms and types of financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs, or codes whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing if –
- (a) The owner thereof has taken reasonable measures to keep such information secret;

and

 - (b) The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, the public....



Critical Decision Points

- Do you notify the FBI? If so, when?
- Who is part of your internal investigative team?
- Do you initiate civil litigation? If so, when?
- Is your company willing to have this case become a public matter?
- What is the company's potential loss?



Potential Questions for the Victim Company by the FBI

1. Are employees prohibited from storing intellectual property (IP) at home?
2. Can an employee use home computers to back-up IP prior to traveling overseas?
3. Would an employee be fired if they were found to be storing IP at home?
4. Are employees allowed to use their own thumb or external drives, or must they use company issue?



5. Is it documented that an employee has the authority to have a home office?
6. Are employees allowed access to IP after giving two weeks notice?
7. Is there company policy regarding proper markings on documents, E-Mails, etc with IP, ie Confidential?
8. Are employees trained on handling and storage of IP? Is their training documented?



State-Owned Enterprises

Fifteen largest companies in each country, according to Forbes Global 2000 list (2017):

	 China	 Russia	 USA
1	Industrial & Commercial Bank of China	Gazprom	Berkshire Hathaway
2	China Construction Bank	Sberbank	JPMorgan Chase
3	Agricultural Bank of China	Rosneft	Wells Fargo
4	Bank of China	Lukoil	Bank of America
5	Ping An Insurance Group	Surgutneftegas	Apple
6	Sinopec	VTB Bank	AT&T
7	Bank of Communications	Novatek	Citigroup
8	China Merchants Bank	Norilsk Nickel	ExxonMobil
9	China Life Insurance	Transneft	General Electric
10	Postal Savings Bank of China	Tatneft	Wal-Mart
11	Industrial Bank	Rosseti	Verizon
12	Shanghai Pudong Development Bank	Magnit	Microsoft
13	China State Construction Engineering	Rusal	Alphabet
14	China Minsheng Banking	Novolipetsk Steel	Comcast
15	China CITIC Bank	Severstal	Johnson & Johnson



Questions

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